

Exhibit A

FORM OF INTERLOCAL AGREEMENT

INTERLOCAL AGREEMENT

THIS AGREEMENT made and entered into this 21st day of June, 2006, by and between the **ESCAMBIA COUNTY HOUSING FINANCE AUTHORITY**, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Escambia Authority"), and the **HOUSING FINANCE AUTHORITY OF LEON COUNTY, FLORIDA**, a public body corporate and politic organized and existing under the laws of the State of Florida (hereinafter referred to as the "Local Authority");

WITNESSETH:

WHEREAS, Chapter 159, Part IV, Florida Statutes (the "Act") authorizes the creation of housing finance authorities within the State of Florida (the "State") for the purpose of issuing revenue bonds to assist in relieving the shortage of housing available at prices or rentals which many persons and families can afford; and

WHEREAS, the Escambia Authority by a resolution duly adopted on April 11, 2006 (the "Enabling Resolution"), as amended and supplemented, authorized a plan of finance (the "Plan") for the issuance from time to time of not exceeding \$400,000,000 Single Family Mortgage Revenue Bonds (Multi-County Program) (the "Program"); and

WHEREAS, the Escambia Authority has indicated that it expects to issue its Single Family Mortgage Revenue Bonds, initially designated "(Multi-County Program), Series 2006" (the "Escambia Bonds" or the "Bonds") in a principal amount not exceeding \$150,000,000, exclusive of any amounts required for refunding purposes; and

WHEREAS, pursuant to Sections 143 and 146 of the Internal Revenue Code of 1986, as amended (the "Code"), the amount of mortgage revenue bonds (as defined in Section 143 of the Code) which may be issued in each year is limited by a private activity volume cap which has been established for such purpose within the State; and

WHEREAS, the limitations upon available portions of the private activity volume cap prevents the separate issuance of mortgage revenue bonds for each county from being feasibly and economically accomplished; and

WHEREAS, the Escambia Authority has authorized a sufficient amount of Escambia Bonds to fund, or to refund or refinance outstanding obligations, the proceeds of which will be used to finance a portion of the anticipated demand during the proposed Origination Period for qualifying single family mortgages ("Mortgage Loans") of both Escambia County and the Participating County, as well as certain other counties which may also participate in a joint bond program; and

WHEREAS, the aggregation of mortgage loan demand and the securing of the related amount of the cumulative State private activity volume cap (the "Allocation Amount") granted by the State through June 1, 2007 (the "Authorization Period") for the purpose of issuing mortgage revenue bonds to finance qualifying single family residences to be occupied primarily by first-time home buyers will result in a wider allocation of fixed expenses and certain other economies of scale; and

WHEREAS, unless such economies are realized, the issuance of mortgage revenue bonds for such purpose would be less economical, resulting in high mortgage costs to qualified mortgagors; and

WHEREAS, Sections 159.603 and 159.604, Florida Statutes, authorize Leon County (the "Participating County") to approve the issuance of mortgage revenue bonds through the Escambia Authority to alleviate the shortage of affordable housing within the Participating County, which approval has been granted by a resolution of the Board of County Commissioners of the Participating County adopted on _____, 2006 (the "County Resolution"); and

WHEREAS, because the restrictions attendant to mortgage revenue bonds under the Code limit the availability of mortgage funds for many eligible persons (within the meaning of the Act), the Escambia Authority may also issue taxable mortgage revenue bonds to increase the amount available for Mortgage Loans and to reduce or ameliorate such restrictions upon eligible persons; and

WHEREAS, Sections 163.01, 159.608 and 125.01, Florida Statutes, and the County Resolution authorize this Agreement by conferring the authority to exercise or contract by agreement upon the Escambia Authority to exercise those powers which are common to it and the other parties hereto and to include the Participating County within the Escambia Authority's area of operation pursuant to Florida Statutes, Section 159.603(1) for the purpose of issuing mortgage revenue bonds based on the Allocation Amount to (i) make available funds to finance qualifying single family owner-occupied residences located within the Participating Counties in accordance herewith, (ii) establish the reserves therefor, and (iii) pay the costs of issuance thereof.

NOW THEREFORE, the parties agree as follows:

Section 1. Allocation Amount; Substitution of Bonds.

The Local Authority hereby authorizes the Escambia Authority to issue, reissue, remarket or refund qualified mortgage revenue bonds, in the form of its Single Family Mortgage Revenue Bonds (the "Bonds") from time to time based on the Allocation Amount through the Authorization Period for the purpose of financing the Program and making funds

available for qualifying single family owner-occupied residences in the Participating County to the full extent permitted by the Act. Any Escambia Bonds issued for such purposes in the Participating County are hereby deemed to be in full substitution for an equivalent principal amount of the Local Authority's bonds that could have been issued for such purpose. The Local Authority hereby authorizes the Escambia Authority to utilize the Local Authority's Allocation Amount on behalf of the Local Authority as part of its Plan for the purpose of funding the Program, including, among other things, financing of qualifying single family mortgages in the Participating County, and the Escambia Authority is hereby designated as the bond issuing authority for the Local Authority through the end of the Authorization Period with respect to all such Allocation Amounts. The proceeds of the Escambia Bonds shall be allocated and applied to the funding, or refinancing of or refunding obligations, the proceeds of which will be used for the funding of Mortgage Loans within the various Participating Counties and for reserves and the payment of costs of issuing the Escambia Bonds, all in accordance with final program documents approved by the Escambia Authority. All revenues generated by bonds issued pursuant to this Agreement and by the use of the proceeds thereof, will be administered by the Escambia Authority, or its agents, and all payments due from such revenues shall be paid by the Escambia Authority, or its agents, without further action by the Local Authority.

Section 2. Administration.

The Escambia Authority hereby assumes responsibility for administering this Agreement by and through its employees, agents and officers; provided, however, that the Local Authority retains and reserves its right and obligation to require reasonable reporting on programs designed for and operated within the Participating County, including, but not limited to, reasonably available mortgagor or profile data. The Escambia Authority and its agents shall provide the Local Authority with a copy of the transcript of documents and proceedings for the Escambia Bonds and such reports as may be necessary to comply with disclosure requirements and to account for funds generated by this Agreement.

The Escambia Authority shall have full authority and responsibility to negotiate, define, validate, market, sell, issue, reissue, deliver, refund or remarket its Escambia Bonds in the maximum Allocation Amount, based upon mortgage loan demand and available Allocation Amounts permitted by law to finance qualifying single family housing developments in the Participating County and to take such other action as may be necessary or convenient to accomplish such purpose. Each Participating County may apply for the full Allocation Amount available for such Participating County. It is agreed that the initial regional Allocation Amount for the Escambia Bonds in Leon County and other Participating Counties located within the same bond volume allocation region under Section 159.804, Florida Statutes, shall be allocated ratably between the Participating County and such other Participating Counties within such region based upon lender demand.

The issuance and administration costs and expenses related to the Escambia Bonds issued to finance the Program and administration of such Program shall be paid from proceeds of the Escambia Bonds and revenues generated from the housing Program.

Section 3. Program Parameters.

(A) Upon request of the Escambia Authority, the Local Authority shall, to the extent permitted by law, (i) approve, establish, and update, from time to time as necessary, upon the request of the Escambia Authority, such Program parameters including, but not limited to, maximum housing price and maximum adjusted family income for eligible borrowers, as may be required for any bonds issued by the Escambia Authority pursuant to this Agreement and (ii) approve the allocation of Mortgage Loan moneys for each lending institution offering to originate Mortgage Loans within the Participating County. Unless otherwise notified in writing by the Local Authority, the Escambia Authority may from time to time approve and establish such maximum price and family income amounts at the maximum levels provided pursuant to the Code without further action of the Local Authority or Participating County.

(B) The fees and expenses of the Local Authority and the fees and expenses of its counsels shall be paid from the proceeds of the Program in the manner and to the extent mutually agreed upon by the officials of the Local Authority and the Escambia Authority at or prior to issuance of the Escambia Bonds. Notwithstanding anything herein to the contrary, a program fee payable to the Local Authority from amounts received in connection with the issuance of the Bonds shall be equal to \$1.00 per \$1,000 principal amount of bond allocation received from the State for use in Leon County.

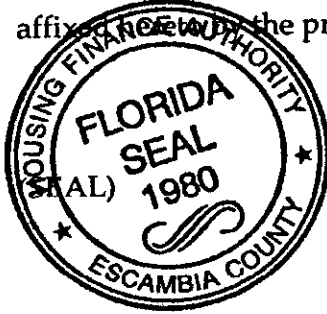
Section 4. Term.

This Agreement will remain in full force and effect from the date of its execution until such time as it is terminated by any party upon ten (10) days written notice to the other party hereto. Notwithstanding the foregoing, it is agreed that this Agreement may not be terminated by the Local Authority during the Authorization Period, or by any party during any period that the Escambia Bonds issued pursuant to the terms hereof remain outstanding, or during any period in which the proceeds of such Escambia Bonds (or investments acquired through such proceeds) are still in the possession of the Escambia Authority, or its agents, pending distribution, unless either (i) the parties to this Agreement mutually agree in writing to the terms of such termination or (ii) such termination, by its terms, only applies prospectively to the authorization to issue Escambia Bonds for which no Allocation Amount has been obtained or used by the Escambia Authority and for which no purchase contract has been entered into. It is further agreed that in the event of termination the parties to this Agreement will provide continuing cooperation to each other in fulfilling the obligations associated with the issuance of Bonds pursuant to this Agreement.

Section 5. Indemnity.

To the full extent permitted by law, the Escambia Authority agrees to hold the Participating County and the Local Authority harmless from any and all liability for repayment of principal of and interest or penalty on the Escambia Bonds issued pursuant to this Agreement, and the members, officials, employees and agents of the Participating County and the Local Authority harmless from any and all liability in connection with the approval rendered pursuant to Sections 159.603 and 159.604, Florida Statutes. The Escambia Authority agrees that any offering, circular or official statement approved by and used in marketing the Escambia Bonds will include a statement to the effect that Bond owners may not look to the Participating County or the Local Authority and their respective members, officials, employees and agents for payment of the Escambia Bonds issued pursuant to this Agreement and interest or premium thereon.

IN WITNESS WHEREOF, the parties to this Agreement have caused their names to be affixed to this Agreement by the proper officers thereof as of the 21st day of June, 2006.



ESCAMBIA COUNTY HOUSING
FINANCE AUTHORITY

ATTEST:

By: [Signature]
Robert Ward, Chairman

By: [Signature]
Sandra J. Ward, Secretary

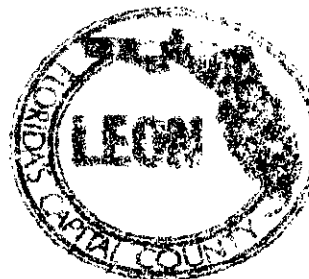
HOUSING FINANCE AUTHORITY
OF LEON COUNTY, FLORIDA

(SEAL)

ATTEST:

By: [Signature]
Chairman

By: [Signature]
Secretary

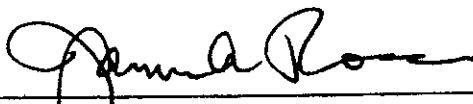


HOUSING FINANCE AUTHORITY

The undersigned Secretary of the Housing Finance Authority of Leon County, Florida, does hereby certify that the foregoing is a true and complete original of the Interlocal Agreement executed by the Chairman and Secretary as of June 21, 2006.

Date: June 21, 2006

**HOUSING FINANCE AUTHORITY
OF LEON COUNTY, FLORIDA**

By: 
Secretary

(SEAL)



HOUSING FINANCE AUTHORITY